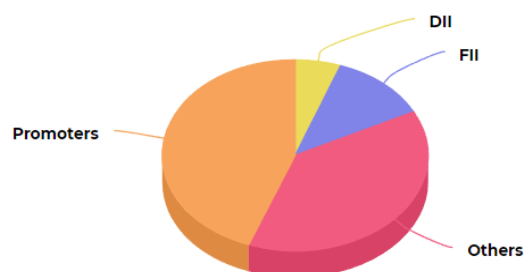


Tata Elxsi Ltd

General Overview

Tata Elxsi is amongst the world's leading providers of design and technology services across industries including Automotive, Broadcast, Communications, Healthcare, and Transportation. It helps customers reimagine their products and services through design thinking and the application of digital technologies such as IoT (Internet of Things), Cloud, Mobility, Virtual Reality, and Artificial Intelligence. This company has over 7362 employees operating in over 35 locations. During the last year, the share price of Elxsi rose by 176% and by 642% in the last 3 years. That is really great. The company has also shown a good increase in profits for the past 5 years which is a good indication. The company seems to have a great future because it is a TATA subsidiary which is one of the biggest players in the stock market and secondly the technology sector is expected to have good growth in the coming future which has already been accelerated by the pandemic. So one can expect this company to grow even further.

Shareholding pattern



Showing Shareholding as on 31 Dec 2021

CATEGORY	NO. OF SHARES	PERCENTAGE
<div></div> Promoters	2,75,98,919	44.32 %
<div></div> Pledge	0	0.00 %
<div></div> FII	74,30,208	11.93 %
<div></div> DII	34,53,171	5.54 %
<div></div> MF	22,44,448	3.60 %
<div></div> Others	2,37,94,142	38.21 %

Observing the shareholding pattern of Tata Elxsi we can see that about 44.32% of the shares are held by the promoters. Now, this is a very good sign because more the promoters are having a stake in the company it shows the trust and confidence of promoters in the company. Also, we can see that nearly 11.93% of the shares are owned by FII (Foreign institutional investors) shows that the company has good future prospects. Also, we can see that the pledge percentage among promoters is 0% which is also a good sign.

Management

NG	N G Subramaniam Chairman	SG	Shyamala Gopinath Ind. Non-Executive Director
MR	Manoj Raghavan Managing Director & CEO	SR	Sudhakar Rao Ind. Non-Executive Director
AV	Ankur Verma Non Exe.Non Ind.Director	HV	H V Muralidharan Chief Financial Officer
AK	Anurag Kumar Ind. Non-Executive Director	GV	G Vaidyanathan Co. Secretary & Compl. Officer

Mr. N Ganapathy Subramaniam - He has also served as the Executive VP and Head of TCS Financial Solutions. He brings in-depth knowledge about technology trends, systems, and policies of leading global corporations, and international businesses.

Mrs. S Gopinath - She holds a Master of Commerce degree and is a Certified Associate of the Indian Institute of Bankers. Mrs. Gopinath retired as Deputy Governor of the RBI.

Mr. Sudhakar Rao - Mr. Sudhakar Rao is a retired IAS officer belonging to the 1973 batch. He holds a Master's Degree in Economics from the Delhi School of Economics and a Master's Degree in Public Administration from the Kennedy School of Government, Harvard University.

Mr. Manoj Raghavan - He has over 22 years of industry experience. Prior to taking over the role of CEO & MD, he served as the Executive VP and Head of the Embedded Product Design (EPD) division. He holds a B.Tech in Metallurgical Engineering from IIT Madras, an MBA from IIFT, New Delhi, and has completed the Advanced Management Program from Harvard Business School.

Swot Analysis

Strength

- Extensive Geographic Presence - Tata Elxsi has established its presence in various parts of the world like in India, United States of America, France, Dubai , Germany , Ireland , Japan, etc. The global presence of the company sends out a strong message for the customers and investors.
- Reputed Brand - Tata Elxsi being a part of Tata has undoubtedly created a great brand reputation in the market. The company always tries to satisfy its customers. And hence the company has great trust associated with its name.
- Market Leader - Tata Elxsi has a strong market position in the Software & Programming industry. It is on the most fastest growing company in Technology sector under Mid cap segment.
- Great ROI - The share price of Tata Elxsi has been showing a tremendous increasing trend where the investors have enjoyed 176% returns in a year and about 642% returns within 3 years.

Weakness

- Valuation of the company in share market - Various experts are stating that the company is overvalued. And this creates a doubt in many new investors prohibiting them from investing.
- Salary to freshers - In today's world , companies are paying out a great salary checks to their employees to get the best talent in the industry and to retain them in the company. Paying less salary means losing out some of the best talents of the industry.
- Expansion cost - With the advancements of Internet and AI/ML , new supply chain and technologies have to be added which will result in large expenses.

Opportunities

- Technological Advancements and Innovations - These advancements are the perfect environment for the growth of companies like Tata Elxsi. And with the onset of the pandemic the growth has accelerated the process even more.
- Improvement and expansion of Economies - With the improvement in economy of India , Tata Elxsi has good chance to prosper and expand even more. Also improvement in economies of various foreign countries will help the company to strengthen its global reach.
- Increasing Customer base - Due to digitization more and more people are shifting towards more higher end products with better quality and technology which is a great opportunity for Tata Elxsi to increase its customer base.

Threats

- Competition - Although Tata Elxsi at a great position in its industry but still there are many companies like Persistent sys , MindTree , L&T Technology, etc. which are a great threat and competition to it. The industry has various companies competing for customers.
- New Players - The IT industry has seen some new companies coming and capturing the market space. They are a serious threat and Elxsi need to work continuously to satisfy and retain its customer needs.

Competitive Analysis

Some of the biggest competitors for Tata Elxsi are Mindtree, Persistent sys and L&T Technology.

Name	Price	Market Cap (in Crores)	1 Year Return(%) / 5 Year Return(%)
Tata Elxsi	7200	46274	176 / 870
Mindtree	4118	70069	128 / 776
Persistent sys	4301	32458	174 / 598
L&T Technology	4810	54017	97 / 491

We see from the table that the competition is very fierce here. Every company has some advantages over the other. In terms of market cap Mindtree has a much larger market cap than Tata Elxsi and but still the growth of the company is better than Mindtree, as Mindtree's ROI is lesser than Elxsi's ROI. The other competitors are less in market capitalization by a small number. Both Persistent sys and L&T are doing very well and their returns although is less than Elxsi but still they are great. Persistent sys gave 174% return for a year and 598% for 5 years whereas L&T gave about 97% returns for a year and 491% returns for 5 years. Now comparing these two companies with Tata Elxsi, it gave about 176% returns for a year and 870% returns for 5 year. All these companies have been growing at a staggering rate and have been earning profits consistently for the past years . Hence Tata Elxsi need to be on its toes , to be working hard and smartly to continuously compete with its peers and increase its customer base.

Conclusion

In conclusion I would like to say that Tata Elxsi is a great company to invest in. There are multiple reasons for supporting the statement. The company enjoys having a good presence in the Technology sector. The company stands at a respectable position in terms of market capitalization and profits in its sector. Also the brand image , trust and reputation of TATA is undoubtley very good. All the ratio and fundamentals incline towards a strong buy sentiment. In recent results, Tata Elxsi's net profit grew 20.4% and revenue from operations rose 6.7% in Q3 December 2021 over Q2 September 2021. So we can see that the company has been performing well consistently. The only suggestion is that the company should be careful of its competitors and should try to retain its customers. Also the company should also be future ready to adopt to the newer technologies.